

Future Teachers Conditional Scholarship and Loan Repayment

Questions & Answers For 2009-10 Loan Repayment Program Participants Only

NOTE: You are fully responsible for making all payments on your federal student loan(s) in a timely manner, and for all communication and arrangements with the financial institutions to which the loan(s) must be repaid.

What happens after you credit my teaching days?

- The posting of verified teaching days generates an award payment.
- The award amount is based on the percentage these days represent of your entire service obligation.
 - Example: if you accrued \$6,000 in benefits from your enrollment with a service obligation of 200 days, and we post 50 days to your account – you'll receive \$1,500 (25% of your total benefit in exchange for 25% of your total service owed). If we post 100 days (50%), you'll receive \$3,000 (50%).
- We mail the check directly to you.
- If this posting of teaching days completes your service obligation, your account is now "Paid in Full." We'll close your account and send you a Paid in Full letter.
- If you still have benefit remaining after posting these teaching days, we will inform you of your account balance, and repeat the annual process – you send a copy of your new teaching contract, we verify teaching service at the end of the next school year, and process a payment based on the number of qualified days verified. We repeat this process until you have received your entire benefit amount.

What happens if I don't complete my entire teaching obligation in the time permitted?

- If you don't complete all service within the permitted time period, you forfeit the remaining balance of your accrued benefit.
 - Example: You accrued \$6,000 in benefits from your enrollment with a service obligation of 200 days, and you verify 50 days of qualified teaching per year for three years. You will receive payments of \$1,500 each year (since 50 days is 25% of the total 200 days owed, each year you receive 25% of the total accrued benefit) – for a total of \$4,500. Then you move out of state. You will forfeit the remaining \$1,500 you haven't received. We return that money to the program to be awarded to another participant.

How does repayment work?

- Loan repayment participants **cannot** go into repayment.
- If you don't complete all required service, you forfeit your remaining accrued remaining. [See "What happens if I don't complete my entire teaching obligation in the time permitted?" above].

When is my obligation finished?

- When you provide enough qualified teaching service to satisfy your teaching obligation and have received all of your accrued benefit, or
- When the terms of your contract (signed when entering the program) have been fulfilled, or
- In the event of your total and permanent disability or death.

Can I be dropped from the program?

- The Higher Educational Coordinating Board can drop you from the program if:
 - You do not complete the stated certificate or endorsement program per your application and Board-approved education plan, or
 - You do not obtain a qualified teaching position before the end of your grace period or the end of your deferrals, or
 - You fail to maintain continuous teaching service sufficient to complete your teaching obligation in the permitted period of time.

What happens if I am dropped from the program?

- You forfeit any accrued benefits you haven't yet been paid.

Do I have to pay taxes on the money I receive from the Future Teachers program?

- It is our agency's interpretation that **loan repayments ARE taxable income**.
- We will send you a 1099-MISC for any year you receive a loan repayment from us, and will report the amount to IRS.
 - Please refer to IRS Publication 970 Tax Benefits for Education (section 6 – Student loan repayment assistance) and/or consult a tax expert.

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